

Digitized by the Internet Archive
in 2007 with funding from
Microsoft Corporation

Pamphlets on commerce



Decline of American Shipping.

ITS CAUSES AND REMEDY.

**YOU ARE EARNESTLY INVITED TO CONSIDER THESE FACTS
BEFORE CASTING YOUR VOTE.**

INTRODUCTION.

It is now two years and upwards since these views, which may be said to have been the first formulated on the Shipping question, were, in so far as was practicable for unaided individual effort, disseminated. During this lapse many Bills for relief of Shipping have been presented to both Houses of Congress which, taken as a whole, have embodied about every suggestion herein advanced. Unfortunately they have not become law because, when presented, amendments engrafting the "free ship," so called, have been made, on which interested parties, really inimical to the Shipping interests, clapped their subsidy "rider" and the thing run to the ground.

When endeavoring to obtain reforms through legislation, it is well to aim only for what is feasible and practicable. Had we been satisfied with this and said nothing about "free ships," we would at this present be enjoying relief where most needed, the other following in the natural order of things.

With an experience of upwards of thirty years exclusively in the foreign trade, and an immediate owner of tonnage capable of carrying to any part of the world ten thousand dead-weight-tons of cargo, I do not hesitate to declare that the removal of the burdens (herein set forth) the government has placed on American shipping in the Foreign Trade would have a thousand-fold more effect in resuscitating the industry than all the "free ship" (essential as it is however to the *full growth* of a commercial marine) and subsidy schemes ever put before you.

It is a matter for congratulation, that the tonnage system complained of in article 4 has recently been modified so that we are now on equal terms in this respect with the British, although still at some disadvantage with other competing nations. But while the government was contemplating and grudgingly

conceding this small reduction to American ships Great Britain, watchful of her commerce, through which she holds supremacy on the seas, knocked from her already favored ship-owner, every item of charge hither-to borne by him with respect to engagement and discharge of seamen, it not costing, throughout the United Kingdom, a penny for registering a ship, nor for engaging or discharging crews or anything pertaining to them; nor for official Log-Books, articles of agreement and documents of every description,—in short, passing a ship her papers without a single item of charge, while here we are crushed to death with them. Take for example the “Commissioners” *outward charge only*. It speaks (pathetically to the ship-owner) for itself.

NEW YORK, November 5th, 1883.

Ship “BRIDGEWATER” & OWNERS,

To the United States Shipping Commissioner, Dr.

To Shipping.		WAGES per Month	ADVANCE WAGES.
Th. Cruse,	Mate	\$40.00	\$00.00
Alfred Harvie,	2d Mate	£6.0.0	00.00
Thos. Rasmussen,	Carpenter	\$25.00	30.00
Frank Selva,	Steward	30.00	30.00
Sam'l Holmard,	Cook	30.00	30.00
Nathan Dorman,	Seaman	18.00	25.00
Henry Alexander,	“	18.00	25.00
Henry Bond,	“	18.00	25.00
John Sanders,	“	18.00	25.00
Josef Williams,	“	18.00	25.00
John H. Bell,	“	18.00	25.00
Wm. H. Messick,	“	18.00	25.00
Sam'l Romeo,	“	18.00	25.00
Ross Burns,	“	18.00	25.00
James DuBois,	“	18.00	25.00
Ed. Williams,	“	18.00	25.00
Wm. Colman,	“	18.00	25.00
Manuel Costello,	“	18.00	25.00
Joe Williams,	“	18.00	25.00
Joseph Louis,	“	18.00	25.00
			\$465.00
Shipping fees,			40.00
Articles, log-book, etc.,			3.00
			<u>\$508.00</u>

Received payment,

C. C. DUNCAN, U. S. S. Com.

per Fred C. Duncan.

That the Hospital Tax is not the mere bagatelle you are asked to believe is evidenced by the following :

HOSPITAL-DUES RECEIPT.

Received from Mary E. Allen, owner of the "Ship Bridgewater," of Boston the sum of Three hundred and thirty-two dollars, amount of Hospital-Dues for Officers and Seaman, up to and including the 24th day of September, 1884.

PORT OF NEW YORK.

R. WYNKOOP,
Dep. Collector.

The *bona-fide* Shipowner is never a mendicant, He has no place in your "lobby" and does not want a general contribution from the people ycleped "subsidy" to aid him in his enterprises. He does however *need freedom*, which he once thought his inalienable right, without which he can never be commercially aggressive: experience having taught him that in proportion to weighting his ship with taxes and restrictions, in lieu of merchandise, is his sphere contracted and solvency impaired.

Our remedy, as you will perceive, for restoring this industry is exceedingly simple. Give us FREEDOM by removing our burdens, which will cost the the people nothing, though it may send thousands to *earn* the living now extorted from the Shipowner.

JNO. H. ALLEN.
134 Macon Street,
Brooklyn, N. Y.

February 12th 1884.

Decline of American Shipping,

ITS CAUSES AND REMEDY.

The press in the leading sea ports of the Union from time to time take up the subject of the decline of American commerce—that is to say, the almost extinction of the American with his ship as carrier in the ocean-borne commerce of the world, an industry in which he at one time excelled, the starry flag being seen on every sea and in every port; merchants having goods to be carried giving him the preference, his ships being noted for size, speed, cleanliness, efficiency, and the superior intelligence of the commander; giving employment, in building and sailing, to hundreds of thousands of our people, enriching the nation by garnering the great wealth flowing from this, and bringing our country, its splendid resources and enterprises, to the notice of peoples in the distant world in a more effective manner than was possible through other medium. All this has passed away, we having but its history left, and in looking around for the cause, conveniently ascribe it to the “Alabama” and her consorts than which nothing can be more narrow and superficial.

If we are to regain this lost commerce, or a part of it, the true causes of its decline, as well as the remedy, must be placed before the American people, it being a necessity with 50 millions, no matter how well favoured the country in which they live, that they seize on every branch of commerce, working them to advantage and profit. The “Alabama’s” depredations were but an *incident* not the *cause* of our being without ships to conduct the foreign carrying trade, for had she or her consorts never existed the condition of things would not be materially different from what we now find them. For the essential cause we must go back to a

period ten years anterior to the outbreak of the Civil War when an English iron propeller successfully voyaging to these shores sounded the death knell of *wood* ships—a material we had relied on for the ocean vehicle, it being convenient, cheap and abundant, and while confined to that material for construction the American need not have feared a rival. The substitution however of iron and steam for wood and sail, of which we could not take advantage, lost to us the carrying trade; the government meanwhile fostering by legislation, every conceivable domestic industry, giving spur and impetus to railway building, agriculture, mining, manufacturing, etc., etc., absorbing the capital, labor, and energies of the people and enriching the country to a degree without parallel in the world's history.

During these years of advancement in wealth our foreign carrying trade may be said to have left us, or rather, we left it, our capital being worth more to us in developing the rich and illimitable resources of the country than running in competition with the European, content as he is through circumstances with smaller returns than ourselves.

But even with the fertility of resource and adaptability so characteristic of the American, it is not at all surprising that this once great industry had educated a few who could not adapt themselves to the new conditions, hence the spasmodic attempt from time to time to revive it by legislation, the Free Trader endeavoring to show that all that was needed was privilege to buy ships in the cheapest markets and hoist over them the American flag—as if that carried with it a charm, or a ship sailed under it cheaper than another—while the protectionist ship-builder argued, and with more success, because having about him for view the remnants of a plant of a former great industry, (poetical in its decay and therefore interesting, and, for this reason, to many, worthy of preservation,) that to admit to registry foreign built ships would give a death blow to American commerce and close the ship-building yards of the country; as if a thing already dead could be killed! But the argument prevailed and we have drifted on till our ships have become few and far between, if not beautifully less, and the *life* “protection” was to give the industry, may be likened to, and is no more than, the grin and contortion

it is possible to get from a corpse by the application of electricity. Had this legislation been confined to ships engaged in the coasting trade—a commerce purely domestic and beyond reach of foreign competition—that would have been intelligible and consistent with our system, but to have applied it to the *foreign trade*, on which every nation could have something to say, evinced either an indifference by our legislators to the pursuance of a branch of commerce they must have regarded at its best as scarcely worth possessing, else betraying an ignorance of grave commercial matters now costing us incalculable wealth.

Half measures will never bring back to us an appreciable share of this commerce, nor will legislative tinkering vary existing conditions. Let us consider the situation by propounding two propositions :

FIRST : do the people of these United States care to enter into active competition with the maritime people of Europe for a fair share of the world's ocean-borne commerce ?

SECOND : have the resources and domestic enterprises of the country been developed to a degree that they may be said to have ceased absorbing the capital and energies of the people, and have we an appreciable portion of our population possessing sums of money which they experience difficulty in securely investing at from, say, six to ten per cent per annum ?

Till these propositions can be answered affirmatively all the legislation Congress can give will not materially increase our shipping or add perceptibly to the wealth of the country ; on the contrary, if acted upon, it would lead to positive loss, inasmuch as we should have many millions which could have found profitable investment within the country in opening up and developing its resources, locked up in tonnage engaged in non-lucrative foreign trade which the people would most surely be taxed to maintain for the benefit of the few. But if the country is in that advanced and prosperous condition that they may be considered affirmatively, and I maintain it is, we have as means to the end :

FIRST : To make navigation attractive to the capitalist and small investor by permitting, easily and inexpensively, the registering of a ship or ships in shares, limiting liability of the ship and those holding certificates, for damage done another by collision through

negligence to a certain sum for each register ton and fixed to that by statute, but in every case not exceeding the value of the defaulting ship and recoverable from her only ; also fixing, by statute, a sum for each life lost through negligence and recoverable as above only. That no lien or attachment shall issue against a ship for supplies or repairs in her own country, the remedy being against the party ordering the supplies or repairs, or against the registered owner or owners ; each being responsible in proportion to what his share bears to the whole, — these shares to be free from Municipal, State and National taxation.

SECOND : Permitting by remedial legislation the purchase of ships in the cheapest market for foreign carrying trade, admitting them to American registry free of duty or taxation, but should they engage in the coasting trade, it must be without the concessions made to this branch, which, in itself, would make it practically prohibitory. Or, as an alternative, conceiving the above to meet with considerable resistance from the ship-building and other interests, to admit duty free, or reimbursement of duty, every article imported and used in construction and equipment of craft to be employed in the foreign carrying trade or for foreign account, the difference being immaterial and scarcely worth a determined stand, inasmuch as this country, when the proper time arrives, is to do its own ship-building, that time being hastened when we are at liberty to go where we please and buy our ships, believing the American will never permit, even for a brief period, the European to do for him what he is so capable of doing for himself.

THIRD : Devising a system of admeasurement for tonnage more in keeping with the times, based on, say, displacement, or the whole area of that part of the ship under water when loaded, instead of as at present internal space—a system adopted from the English many years since by international agreement, (a grave error, their ships of that day being without hurricane deck and deck structures, cabins, etc., being under the main or tonnage deck : the American being quite different, with its hurricane deck and numerous structures, and to apply to it the same system was scarcely, to say the least, commendable,) but differently applied in the respective countries, *there* everything being done that is possible favoring the ship-owner by deducting from the whole internal area the largest space for coal, engines, sails, stores, provi-

sions, officers and seamen, including every space in the deck arrangement which can be called *uninclosed*, greatly reducing the Register tonnage, on which about all charges at the present day in all parts of the world are levied,—such as measuring and tonnage dues, wharf and graving dock dues, light-house dues, harbor and anchoring dues, police and hospital dues, canal and pilot dues, towage, inspection, and classification rates,—representing, in the aggregate, an enormous sum,—in effect a subsidy paid the English ship-owner, not by the English people alone, but by the countries to which his ships trade; while *here* every possible space is put in the register tonnage, the object being to make it as large as possible, wringing from the ship-owner the last possible dollar.

FOURTH: Reverting to our old system of engaging crews, master and seamen making their own terms, abolishing at a stroke, the English system adopted a decade since—admirable in its practice, without doubt, in that country with its attentive and permanent civil service, economically and efficiently conducted: with every seaman in its mercantile marine registered, traced, and failing to fulfill his obligation, punished; its head, the Board of Trade, within reach by night's mail of the remotest part of the kingdom; undertaking all this work for a nominal sum: deputing officers to gather the seamen, see them to the ship, bringing with them substitutes that the ship may not be detained a moment should any not join who signed the articles of agreement, the delinquents being arraigned before the nearest magistrate and punished by imprisonment; discouraging attempts to force up wages; without power over, or interest in, the advance wages to seamen:—in fine a system wholly inapplicable and out of character in this country, so entirely without the conditions on which their system is based; adopted solely in the interest of the then dominant political party by creating offices and livings for a few thousand individuals in whose interest it is solely and expensively worked at the cost of the already over-taxed ship owner (as may be seen by visiting the offices in this city, a building rivaling in its extent and paraphernalia, the Board of Trade of the British Empire—a country possessing a tonnage capable of stowing away, out of sight, in the “Transom Locker,” the entire foreign employed tonnage of the whole United States) he being compelled to lodge, when ordering the

engagement of the crew, the cash for their advances against which notes, payable some days after the ship has sailed, are issued, the commissioner meanwhile banking the money in his interest, charging the owner \$2 00 for each seaman shipped (against 48 cts. paid throughout the British Dominions, which is by law made a charge against the seamen's wages when being paid off,) in addition to other charges, compelling ships to take useless stationery and documents on which two thousand per cent. profit is levied: he conceiving his duties ending here, and with but slim chances if any, of the owner being reimbursed his cash for those not proceeding in the ship as agreed.

FIFTH: Repealing that part of the statutes, and "instructions" bearing on shipping through Consular jurisdiction, they having nothing but their antiquity to recommend them, being co-existent with the foundation of the government, every purpose which they were intended to serve and condition on which they were based, having long since passed away. To show how the American is handicapped by his more fortunate British rival, I subjoin Consular charges of two ships taken at random from my papers, about the same tonnage, the American in an English port, the English ship in an American port:

Receiving and delivering ship's papers and register.....	\$12 78
Shipping 18 seamen at \$2 00 each.....	36 00
Certificate or shipping articles.....	2 00
Clearance.....	2 00
Certificate of change of master.....	2 00
Recording new master.....	50
Copy of shipping agreement.....	1 55
Official Log Book.....	2 50
Seal and signature to declaration.....	2 00
	\$61 33

Against the British ship's charge for Receiving and delivering register and papers nil.....	\$ 0 00
Shipping 18 seamen at 48 cts. each.....	8 64
Certificate shipping articles, nil.....	0 00
Clearance.....	1 80

Certificate of change of master, nil.....	0 00
Recording new master, nil.....	0 00
Copy of shipping agreement, nil.....	0 00
Official Log Book, nil.....	0 00
Seal and signature to declaration, nil.....	0 00
	\$10 44

Onerous as this is to the American shipowner it is but as a feather compared with the penalty he is subjected to by the imposition of what is known as the "three months extra wages" ludicrous in its absurdity if it is attempted to tell us that it is retained for a single purpose originally requiring it. In dealing with a question like this in this manner, limited in scope as it necessarily must be, it is scarcely possible to treat, as fully as could be wished, the important subject in which every individual in the nation should be interested; yet my communication will fall short of its aim if I do not explain the cause and operation of that act. In the early history of the country when settlement was confined principally to the sea board and commerce the chief industry the people excelled in ship building, penetrating every sea with their merchantmen, conducting the whale fishery with great vigor and success and the in-shore fisheries with enterprise and benefit to the nation. To obtain seamen for these important services, on which the navy (it was required in those days, and, more, they had it,) relied for recruitment, recourse was had to the legislation now under consideration. To those engaged in the cod-fishery, regarded as a nursery for seamen, large bounties were granted, not so much for the fish caught as the seamen it made. At the same time foreign seamen were tempted to our service by the larger pay, better food, and superior enterprise prevailing here; the ship-owner, in these circumstances, being called upon to do his part, the law for-bidding him to engage other than Americans as officers, and making up his crew to have two-thirds American citizens; the effect of such enactments being to lead these foreign seamen to citizenship, which was easily conferred, their retention thereafter being of great moment, population being a question of prime importance, every able-bodied person coming to these shores adding considerably to the nation's wealth. The voyages of our ships in those days were from this country, with their ventures, to foreign

lands and back with return cargoes—not cross-voyaging as became the custom at a later period, when commerce expanded, and to the end that not one of these seamen be lost to the country a fine of three months extra wages was imposed on the shipowner (two months to the seamen and one to the government) for each seaman discharged abroad, the result being that discharging abroad ceased, except from ships sold from the Flag or inability to proceed through sickness. To guard against the loss of seamen by desertion (it must be borne in mind that though a third of the crew could be made up of non-citizens, yet, when once engaged, they became to all intents and purposes American seamen, no distinction being made in the operation of this act between them and the American citizen crew) it was provided that if more than a third of the wages due a seamen was paid him in a foreign port and he deserted it be held it was paid as an encouragement to desert (or so construed and acted upon by the Consuls, which comes to the same thing) the balance of wages being forfeited—not to the shipowner, for breach of contract as is the case with other maritime people, but to the government, together with the extra wages; or, if instead of deserting, complaint was made at the Consulate by the seamen that more than a third of the wages due had been paid, the Consul could, on investigation, order his discharge *with wages due and three months extra wages*. Till within a few months this law covered the whole crew, the captain only excepted, he having held a position superior to ship-masters in the maritime world, being the *principal* not *servant*, with unlimited power to pledge the ship and owner's credit and dispose of the freight money. But it was reserved for the State Department during the period Mr. Blaine presided over it to revise the "instructions," extending the act even to the master, thereby degrading and dragging him from the honorable position he so long occupied; defining him as a *common mariner*, but considerately permitting him to sign a waiver, if he so pleases, at the Consulate, of his two months' extra wages should he turn over his command in a foreign port, the Consul, however, "*protecting the Government*" by collecting its one month. Considering that American shipmasters are paid from one hundred to two hundred and fifty dollars a month, we have here a pretty penalty for privilege of ornamenting our ships with the American Flag.

It is not within the scope of this article to enter into an explanation of the working of this act, — its perversion to objects never contemplated by its framers, inflicting on the ship-owner incalculable injury — not so much from the enormous sum of money extracted from him, but indirectly from uncertainty and breach of contract, inconvenience and insubordination which it has led to, seven-eighths of the miserable stories so long afloat, and of world wide belief, of the brutality of American officers having their origin in this prize, without which the world never would have heard of them and a stigma, so unjustly placed, never attached to them. There are on file at the Department at Washington many evidences of these wrongs, but they do not represent a tithe of the inflictions; it becoming apparent, after a while, to those having grievances, that to enter into a discussion with the authorities with a view of redress, they would have but their trouble for their pains.

SIXTH: Instead of augmenting the Navy (*which means war*) by the expenditure of 30 to 40 millions of dollars in building fast cruisers, as contemplated — and hundreds of millions thereafter in keeping them up for exhibition — let us remit taxation now imposed on and crippling our foreign commerce, to this extent, maintaining but the nucleus of a navy; the Government relying, should a war be forced on us, for its fast cruisers (the *fighting ship*, pure and simple, in the event of war, not being required under our conditions; we as a great producing nation, merely requiring to Embargo our products and prey with fast cruisers on an enemy's commerce) on the steam Mercantile Marine, which could be so arranged as to make it easily convertible and efficient, — doing away with our expensive Dock Yards, giving them up for commercial purposes: relying on private yards for Government work as Great Britain has done to her incalculable advantage.

SEVENTH: Cease charging the ship-owner 40cts. per month for each and every person serving on his ship. It is true this sum may be deducted from the seamens' wages, but in the end it comes from the ship-owner by increased wages. He is also made to pay, in addition to the above, in many foreign countries "Hospital Dues," imposed on all ships entering their Ports: the Hospitals admitting, free, sick seamen without regard to nationality — meeting the

necessities of the case, and is all that is wanted. It should be borne in mind that we are the only nation imposing such a tax on its shipping, and to its extent are we thus handicapped. That it is no insignificant tax we need only point to the extensive, well laid out and costly kept grounds, with superb structures and heavy staff which it maintains in so many ports in the Union. If it is desirable to keep up these expensive establishments, it should be by voluntary contributions, or a direct charge on the Treasury, and not, as now, at the expense of the ship-owner, he being the only employer of labor charged with maintenance of former employees when ill, in the whole land.

EIGHTH : In order to draw into the merchant service the sons of well-to-do families it must be made, in point of dignity and attractiveness, second only to the National Navy. The officers of the merchant marine, in event of war, should be commissioned in the regular navy; the Government preparing them for this by instituting a system of examinations for the merchant service for Captains, 1st, 2nd, 3rd and 4th officers, Chief, 2nd and 3rd Engineers, and granting certificates according to ability. The Government would have here the very best material for officering its ships these being in constant practice, and right at home in manœuvering a ship. As for seamen we need not concern ourselves a second; at present we have none, the American, as a sailor, being a thing of the past. All we require in order to regulate the supply and cost is to permit the master or owner to make contract with officers and seamen for a day, week, month, year, passage, or voyage: all finding like water when left alone, their level—the world's seamen manning the ships in the world's carrying trade—than which no country can profit greater than our own; getting, as we did in former times, under other conditions, the foreign ready made sailor when wanted.

NINTH : Permitting ships of all nations, in every port in the Union, to take from bond, duty free, every article of foreign growth or production required for use on board; the object being to have ships wholly supply themselves at our ports, giving stimulus to importation, which means exchange of commodities,—employing tonnage, increasing the business of Warehousemen, Bankers, Commission Agents and Merchants, Underwriters, Ship-chandlers and Laborers.

It has been a stock-argument with the Protectionist when this subject has come under discussion to answer the free-trader by declaring that his views were only reconcilable with profuse sprinkling of British gold—just as if England would pay for undoing the policy of the only nation she ever feared as a rival, every backward step of which she notes, it hourly permitting her to add to her already enormous wealth; a nation that put afloat in 1881 more than a 1,000,000 tons of shipping for the foreign carrying trade, mostly steam: representing, in *carrying power*, upwards of 4,000,000 tons of *sail tonnage*, while we cannot be said to have put afloat a single Ocean steamer during that period, our efforts in steamship-building being confined to the coasting trade or for lands so contiguous to the United States that it practically comes to the same thing. It is not so much cheap ships we want as freedom and economy in their management. You may have a ship for nothing, yet if not prudently and economically managed may be better without her. On the other hand you may pay a large price for a ship and if handled with prudence and skill may prove an excellent investment. Why, if Great Britain to day should transfer, gratis, to the American people one-half her steam tonnage, we maintaining our system as it exists, she would, in ten years, drive it all from the Ocean, it representing, at the end of that period, so much old iron. I scarcely need point to the benefits accruing to the whole country by inaugurating, and pursuance of this new industry; the multiplicity of articles, the science, skill, and ingenuity required in producing a first class steamship—all of which this country, by and bye, will produce and furnish; the young men now educated for the easier and lighter occupations and professions (flocking to the cities, as they do, in tens of thousands where they meet with but doubtful and precarious living) finding scope for their talent and enterprise as Architects and Engineers, Draughtsmen and Designers, Machinists, Chronometer and Mathematical instrument Makers—in short, honorable and lucrative employment for hundreds of thousands now engaged in occupations women could just as well fill.

But even with all these concessions to our foreign going “carriers,” they will still labor under the great disadvantage our protective system imposes, it necessarily adding to our cost of living, making us a nation with high prices, and is believed by many who

have given thought to the subject to be in itself sufficient explanation of its decline and decay.

The opinion is frequently advanced that the possession of ships by us would be of doubtful utility, as our Tariff laws prevent interchange of commodities and there would be nothing for them to do, — overlooking, or unconscious of, the fact that beyond the wall of protection within which we have hedged ourselves the World's commerce unceasingly moves, our flag still making a little show in it, and in which, in times past, the ship-owner found his most lucrative employment — as, indeed, he does to-day.

I cannot better close this article than by subjoining the following extract from a letter from Colonel Mosby, Consul at Hong Kong, to the Treasury Department, under date October 22d, 1881—honorable as it is to him, and, to the American people, pregnant with meaning; will attention be given it? —

“During the two years and eight months that I have had charge
“of this Consulate, I have collected in extra wages and turned into
“the Treasury \$4,723,13 and have expended for relief \$190.00
“which was paid into the Government Hospital here for sick sea-
“men. My predecessor, in the eight years preceding me, expend-
“ed, or rather *furnished vouchers* signed by his stool-pigeon, for
“\$8,403.52.”

(signed)

ONE WHO HAS DEVOTED UPWARDS OF THIRTY
YEARS TO SHIPPING IN THE FOREIGN TRADE

New York, January, 1882.

ADDENDA :

In the Shipping Bill now before your Honorable Body there is, in the limited liability clause, provision that a ship doing damage to another is to be held responsible to the extent of her value and "pending freight," two words only but involving much.

Freight is the hoped for return for invested capital and reward of enterprise. It is only earned when the merchandise carried is safely delivered. Frequently the expense of earning freight, apart from the investment in the ship itself, reaches, and sometimes exceeds, the total freight; therefore what is "pending freight?" But assuming there is something left, let us see the effect of the clause should it become law. Two ships are at sea: one runs the other down; the owners of both are, or could have, protected themselves by the ordinary marine policy containing the "Collision Clause." What more do they want? But one may have lost the prospective freight! True, but it was insurable and if the owner availed himself of the commercial custom on which all business and credit is based, he need but present his policies and get his *quid* for his *quo*. If these were done the question becomes an underwriter's one and not ship-owner's, hence the forensic sound the phrase utters rather than commercial. If he did not thus protect himself he has remedy against the defaulting ship, but why against freight? If against freight why not against cargo also?—one contributing as much as the other to the collision. The owner may give up his ship for the damage done, but he recovers nevertheless from his underwriters; but how is he placed respecting freight? That is made and due only when the merchandise is delivered, insurance ceasing that instant. The owner cannot protect himself in this as he can on the hull by a "run down clause" in his policy, for it is difficult to conceive how freight could be made to run down and sink a ship! But perhaps it is contemplated (in fact there cannot very well be any other construction put upon the clause) to make the owner pay for the negligence of his employees, the amount of the ship's "freight list," he having already disbursed a sum equaling it, perhaps, for its account! If it means the *margin* of profit from

it, which cannot by our present laws be protected by insurance, where is the security for the investor? And for what object is he to invest?

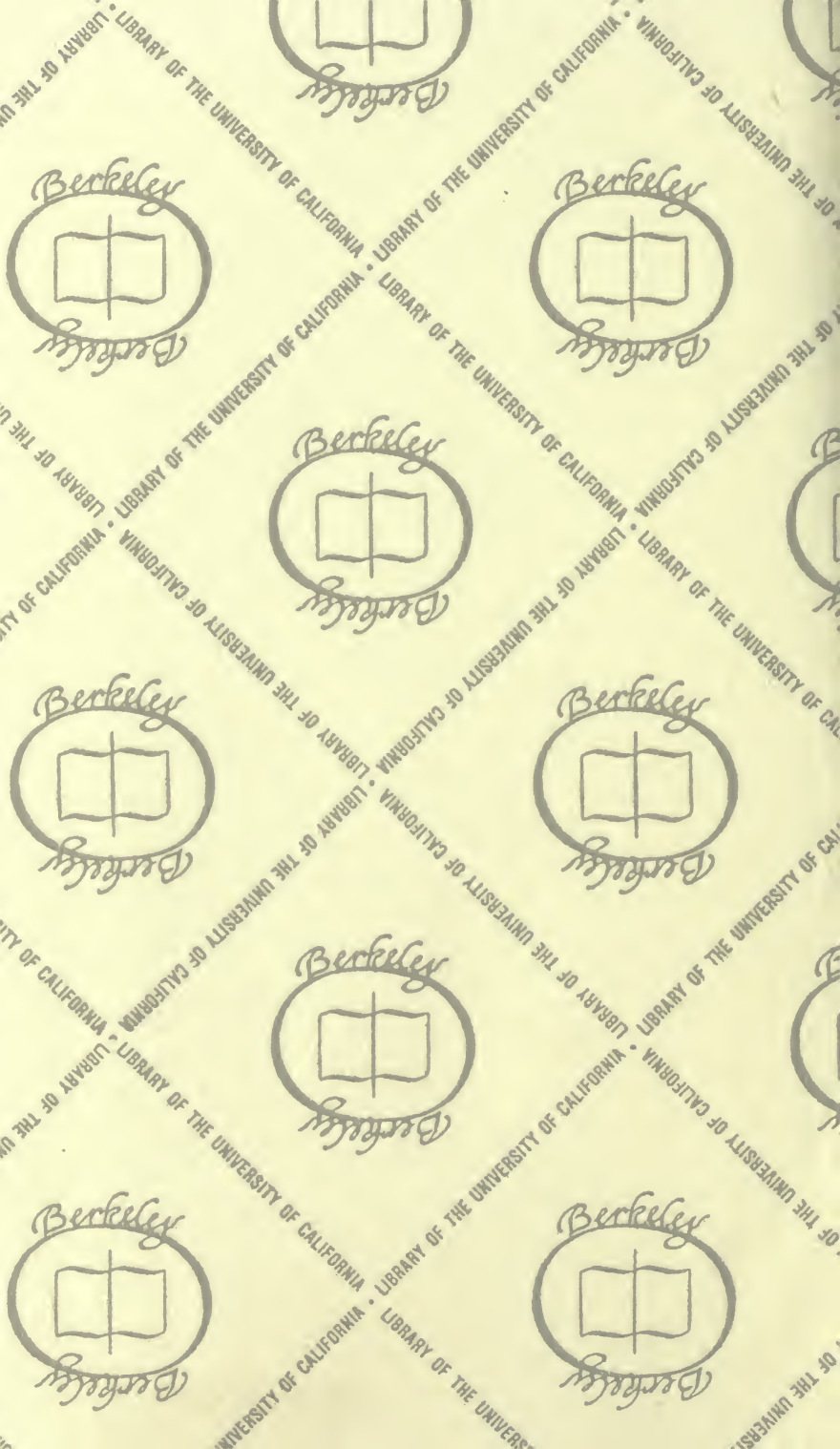
Many features of the Bill are susceptible of similar criticism and, taken as a whole, it may be said of it, First, that the already highly protected coasting interests are to have additional protection: Second, that owners of tonnage employed between the Atlantic and Pacific states while enjoying all the concessions and monopolies of the coaster, are to have benefit of Acts designed for relief of ships employed in the Foreign Trade only,—thus enabling them to mount and ride two horses at one time: Third, that the underwriter, having been paid for the risk he took, is to be put in position to bring suit in name of another and strip an unfortunate owner of all that he may possess of this world's goods, against which he could not protect himself by any legal insurance in his own country—giving him, the underwriter, both the *quid* and *quo*, and what he is seeking for from the “Alabama Award.” Fourth, perpetuating all the evils arising, and now in active force, from our Consular and “Commissioner” system, but with this difference; that while there is some limit to fees and mode of making them while chargeable to the ship, there will be none when the people instead are called upon to liquidate them; Fifth,—but, to sum it briefly:—we see in it protection to the core for every individual in any way interested except the one putting capital in it as an investment when it has become a vehicle for foreign commerce! In the circumstances to have left him out was a kindness. It is only another repetition of Hamlet with the principal character left out.

The title of the Bill is a misnomer. Rather entitle it, what it really is, “A BILL TO GIVE *coup de grace* TO WHAT IS LEFT OF AMERICAN SHIPPING IN THE FOREIGN TRADE.

J. H. A.

FEBRUARY 18th, 1884.

Copies gratis on application.



U.C. BERKELEY LIBRARIES



035649315

